

SUPPLEMENT DATED OCTOBER 23, 2012
TO
OFFICIAL STATEMENT DATED OCTOBER 16, 2012
RELATING TO
\$675,000,000
DISTRICT OF COLUMBIA
(Washington, D.C.)
FISCAL YEAR 2013
GENERAL OBLIGATION TAX REVENUE
ANTICIPATION NOTES

The Official Statement dated October 16, 2012 (the “Official Statement”) relating to the above-referenced notes of the District of Columbia is hereby supplemented as follows:

Recent Events

In addition to the investigative audits (including both routine periodic audits and special audits) conducted by the District’s Office of the Inspector General, the District of Columbia Auditor and the District’s outside auditors, the Office of the Chief Financial Officer in 2003 created on its own initiative an Office of Integrity and Oversight (OIO) for the purpose of conducting regular audits of OCFO operations, identifying those operational procedures and processes that need to be modified, updated or strengthened, recommending appropriate changes and monitoring the implementation of those changes.

Recently, press reports criticized the non-release of an OIO audit that had concluded incorrectly that there was no audit trail of changes senior managers made to real property assessments when those managers approved or rejected the proposed actions of other managers. An amended report corrected the initial report to confirm that there was such an audit trail. The City Council conducted a hearing on October 12, 2012, at which no improper actions were found but during which concerns were expressed about additional ways to strengthen the process. On October 16, 2012, the City Council adopted emergency legislation directing submission to the Mayor and City Council of: (1) all OIO audits and reports within 15 days of completion; (2) a list of all incomplete or on-going audits quarterly; and (3) the annual audit plan on each October 1. In addition, OCFO is required to post all completed audits and reports on the OCFO website within 15 days of completion.

On October 22, 2012, the OCFO received an “informal inquiry request” letter from the staff of the Municipal Securities and Public Pensions Fund Unit of the Division of Enforcement of the Securities and Exchange Commission requesting, in principal part, copies of all audits, inspections, reviews, and investigations (including drafts) conducted by the OIO during the period January 1, 2010 through October 19, 2012, related or referring to the OCFO’s Offices of Finance and Treasury, Tax and Revenue, and Financial Operations and Systems. The District intends to fully cooperate with such request.

Although there have been OIO reports over the years that have raised concerns with certain processes relating to the collection of tax revenues, all of such concerns have been or are in the process of being addressed.

DISTRICT OF COLUMBIA

October 23, 2012